

**Managed Risk Medical Insurance Board
June 15, 2011, Public Session**

Board Members Present: Cliff Allenby (Chairman)
Richard Figueroa
Samuel Garrison

Ex Officio Members Present: Jack Campana, Chairman of the Healthy Families
Advisory Panel
Tim LeBas, Designee for the Secretary of the
Business, Transportation and Housing Agency

Staff Present: Janette Casillas, Executive Director
Shelley Rouillard, Deputy Director, Benefits &
Quality Monitoring
Ernesto Sanchez, Deputy Director, Eligibility,
Enrollment & Marketing
Jeanie Esajian, Deputy Director, Legislative &
External Affairs
Teresa Krum, Deputy Director, Administration
Laura Rosenthal, Chief Counsel, Legal
Seth Brunner, Senior Staff Counsel, Legal
Heather Wallace, Senior Staff Counsel, Legal
Tony Lee, Manager, Administration
Loressa Hon, Manager, Administration
John Symkowick, Legislative Coordinator,
Legislative & External Affairs
Sarah Soto-Taylor, Supervisory Manager, Special
Projects Eligibility, Enrollment & Marketing
Muhammad Nawaz, Manager, Benefits & Quality
Monitoring
Brian Warren, Manager, Benefits & Quality Monitoring
Jordan Espey, Staff Services Analyst, Legal
Maria Angel, Executive Assistant to the Board and the
Executive Director
Brandon Walker, Board Assistant

Chairman Cliff Allenby called the meeting to order at 10 a.m. The Board adjourned into Executive Session and resumed the Public Session at 11 a.m.

Chairman Allenby recognized Ed Heidig, designee of the Secretary for the Business, Transportation and Housing Agency, who served on the Board from 2004 through 2011. Because Mr. Heidig was not in attendance, Chairman Allenby made the presentation to Tim LeBas, the current designee for the Secretary of Business, Transportation and Housing, to convey to Mr. Heidig as thanks for his service to the Board.

REVIEW AND APPROVAL OF MINUTES OF MAY 26, 2011 PUBLIC SESSION

The minutes were unanimously approved as submitted.

The May 26, 2011 Public Session Minutes are located at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_3_Public_Minutes_5-26-11_Final.pdf

FEDERAL BUDGET, LEGISLATION AND EXECUTIVE BRANCH ACTIVITY (Including Healthcare Reform & Budget)

Jeanie Esajian, Deputy Director for Legislation and External Affairs, presented Agenda Item 4, Federal Budget, Legislation and Executive Branch Activity, which contained six items of interest for Board reading.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The documents on the Federal Budget, Legislation, et al., are located at:
http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/agenda_item_4.pdf

EXTERNAL AFFAIRS UPDATE

Deputy Director Esajian presented Agenda Item 5, External Affairs Update. The last 30 days was a very light media period, with coverage focusing primarily on budget proposals affecting the Board's programs, the impact of recently announced federal changes in PCIP, and the quality of children's health coverage in California.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The document on the External Affairs Update can be found at:
http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/agenda_item_5.pdf

STATE BUDGET UPDATE

Terresa Krum, Deputy Director for Administration, reported on Agenda Item 6, State Budget Update. All MRMIB budget related issues, except the Managed Care Organization tax extension and transition of HFP children to Medi-Cal, have been approved. Those two issues remain open and staff is not sure how or when they will be heard. The latest information indicates that the transition would take place only for HFP children who have a matching health plan in Medi-Cal; this approach would reduce the number of affected children to 405,328. The current understanding is that those children would be transitioned on January 1, 2012, along with any new subscribers to HFP. Staff has also heard there will be language that requires a transition plan, and certain benchmarks that must be met before the transition happens; however, MRMIB staff has not seen any details regarding the language and does not know what vehicle may be used to put this into effect. Staff will update the Board at its next meeting, which may be after this action is taken.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

STATE LEGISLATION

John Symkowick, Legislative Coordinator, presented Agenda Item 7, State Legislation. Since the last Board meeting, several bills were removed from the report because they failed the deadline to pass out of the house of origin. These bills can be found in the back of the report listed as two-year bills.

Additionally, AB 589, by Assembly Member Perea, will no longer be reported to the Board. This measure would have shifted Managed Care Administrative Fine and Penalty Funding from the Major Risk Medical Insurance Program to the Steven M. Thompson Medical School Scholarship program, beginning in 2014. The language concerning the MRMIP funding stream has been eliminated from the bill.

SB 634 also had the exact same funding stream, with the funding going to educational training administered by the Office of Statewide Health Planning and Development. That language was changed so that the change would begin when the Major Risk Medical Insurance Program becomes inoperative, not on January 1, 2014.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The State Legislative Report is located at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_7_Legislative_Report.pdf

PRE-EXISTING CONDITION INSURANCE PLAN (PCIP) UPDATE

Enrollment Report

Sarah Soto-Taylor, Supervisory Manager, Special Projects, Eligibility, Enrollment and Marketing Division, reported on Agenda Item 8.a, the PCIP Enrollment Report. Program enrollment has reached a milestone, with more than 3,000 subscribers now in the program. There are no notable changes in demographics of the population.

Staff has received data from PCIPs in other states and it appears that California's PCIP population in the 30 to 49-year-old category -- the largest enrollment category for California -- is a little higher than the national average. In other states, the largest percentage of PCIP enrollment is in the 50 to 64 age group.

Chairman Allenby pointed out that California has a younger population than other states. Ms. Soto-Taylor said that was correct; however, in the state's high risk pool, the Major Risk Medical Insurance Program, the largest category is the 50 to 64 age group, which makes for an interesting comparison.

Board Member Richard Figueroa asked about California's share of national enrollment. Ms. Soto-Taylor said that, at the last check, California ranked second overall. Mr. Figueroa asked whether the national enrollment was 20,000 to 30,000. Executive Director Janette Casillas said she believed it was 18,000. Mr. Figueroa concluded that California's enrollment was probably higher than California's comparative share of the overall population.

Ms. Soto-Taylor noted that English is the primary language spoken among California's PCIP subscribers and Los Angeles continues to have the largest percentage of PCIP subscribers. With regard to application statistics, which are similar to last month's, more than 700 applications were processed, most without application assistance.

Chairman Allenby asked if there were any questions or comments. There were none.

The PCIP Enrollment Report is located at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_8.a_PCIP_Enrollment_Report_for_May_2011.pdf

Administrative Vendor Performance Report

Ms. Soto-Taylor reported on Agenda Item 8.b, the Administrative Vendor Performance Report. For the month of May, the administrative vendor met all performance standards in the areas of application processing and transmission, and call center measurements. For the month of April, the administrative vendor met all quality and accuracy standards with regard to eligibility determination, electronic transactions and benefit appeals.

Chairman Allenby asked if there were any questions or comments. There were none.

The PCIP Administrative Vendor Performance Report can be found at:
http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_8.b_PCIP_Adm_Vendor_Board_Report_May_2011.pdf

Third Party Administrator Performance Report

Brian Warren, PCIP Benefits Manager, presented Agenda Item 8.c., the Third Party Administrator Performance Report. For the month of May, the third party administrator met or exceeded all performance standards.

Mr. Figueroa noted that, in the month previous, there were some issues on length of phone call time. Mr. Warren said that this was correct and that staff and the third party administrator have been working together to ensure this performance standard continues to be met.

The PCIP Third Party Administrator Performance Report is located at:
http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_8.c_TPA_Performance_Report.pdf

Semi-Annual Enrollment Estimate

Executive Director Casillas reported on Agenda Item 8.c, the Semi-Annual Enrollment Estimate. To ensure that the program is operating within its budgeted federal allocation, Pete Davidson of PricewaterhouseCoopers was asked to review the actual program claim costs. The original estimates reported to the federal government were based on assumptions, with no actual claims experience and used the average claims costs of approximately one thousand one hundred dollars (\$1,100) per member per month. Actual claim costs, probably influenced by early pent-up demand, have averaged about two thousand five hundred dollars (\$2,500) per member per month. Staff will continue to monitor and manage costs accordingly.

Chairman Allenby asked how these figures compare with the Major Risk Medical Insurance Program. Ms. Krum said the MRMIP average subsidy is approximately \$3,300 annually per subscriber.

Chairman Allenby asked if there were any questions or comments. There were none.

The PCIP Semi-Annual Enrollment Estimate is located at:
http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_8.d_6-15-11_BoardMeeting.pdf

Other Implementation Issues

Ms. Casillas said there were no implementation issues to report.

MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE

Enrollment Report

Ms. Soto-Taylor reported on Agenda Item 9.a, the MRMIP Enrollment Report. Current program enrollment is 6,637, which is within the enrollment cap of 8,000. There were no notable changes in plan enrollment distribution or demographics compared to last month.

The MRMIP Enrollment Report is located at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_9.a_MRMIP_Board_Report_Summary_for_May_2011.pdf

Update on Enrollment Cap and Waiting List

Ms. Soto-Taylor reported on Agenda Item 9.b., the Update on the MRMIP Enrollment Cap and Waiting List. There is currently no waiting list or enrollment cap.

The MRMIP Enrollment Cap and Waiting List Update document is located at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_9.b_MRMIP_Weekly_Waitlist_June_2011_data.pdf

Administrative Vendor Performance Report

Ms. Soto-Taylor reported on Agenda Item 9.c, the MRMIP Administrative Vendor Performance Report. For the month of May, the administrative vendor met all of its performance standards in terms of eligibility determination and call center measurements.

Mr. Figueroa stated that it appears, from the report, that enrollment which had precipitously dropped has now leveled off. It will be interesting to see whether this is the new level of in-and-out-flow. Mr. Figueroa stated that, as always suspected, there are a lot of people who are not eligible for PCIP and that this may be where MRMIP enrollment is going to be for a while. Ms. Casillas said that this was possible; however, the cap was increased because of available funding and there was room in the program even before the cap was increased. Further, the screening process for both programs is centralized; therefore, so as outreach begins for PCIP, it may also affect MRMIP enrollment as well.

Chairman Allenby asked if there were any further questions or comments. There were none.

The MRMIP Administrative Vendor Performance Report can be found at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_9.c_MRMIP_Admin_Vendor_Perf_for_May_2011.pdf

COUNTY CHILDREN'S HEALTH INSURANCE PROGRAM (C-CHIP)

Authorization of One Year Contract Extension with Participating Counties

There was a motion and a second to adopt the resolution included with Agenda Item 10.a, authorizing a One Year Contract Extension with the Participating C-CHIP counties. The motion was unanimously passed.

The C-CHIP Contract Extension Resolution is located at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_10.a.pdf

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Enrollment and Single Point of Entry Report

Ms. Soto-Taylor reported on Agenda Item 11.a, the Healthy Families Program Enrollment and Single Point of Entry Report. More than 873,000 children are currently enrolled in the program. Latinas continue to represent the majority of subscribers and there are slightly more males than females enrolled. Los Angeles County continues to represent the largest percentage of HFP enrollment. English speakers represent more than 50 percent of enrollment in the program.

Last month, more than 26,000 applications were process through Single Point of Entry. About one-third of the applications are through the Health-e-App electronic format, with more than half of those being submitted by public users.

Mr. Figueroa asked whether this was the first month in which public users outnumbered CAAs. Ms. Soto-Taylor said it was, although the two categories have always been very close.

Ms. Soto-Taylor said that the report showed no notable changes in the percentage assisted versus unassisted, or in the screening outcomes. Most applications continue to be forwarded to the Healthy Families Program.

Jack Campana, Chair of the HFP Advisory Panel and an Ex Officio Member of the Board, said it appears there is small growth each month, especially in the last four months. Ms. Soto-Taylor agreed that there are the beginnings of an upward trend, and that staff would like to see that trend grow higher. Mr. Campana said that hopefully Health-e-App would help. Ms. Soto-Taylor noted that a modest outreach campaign for Health-e-App will be launched.

The HFP Enrollment and Single Point of Entry Report is located at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_11.a_HFP_May_2011_Summary.pdf

Administrative Vendor Performance Report

Ms. Soto-Taylor reported on Agenda Item 11.b, the Administrative Vendor Report. For the month of May, the administrative vendor met all performance standards under Single Point of Entry as well as Healthy Families. For the month of April, the administrative vendor met all quality and accuracy standards for SPE, as well as the Healthy Families Program.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The HFP Administrative Vendor Performance Report is located at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_11.b_HFP_Adm_Vendor_QA_2011-05.pdf

Adoption of Regulations to Eliminate the Dental Benefit Cap

Ms. Casillas reported on Agenda Item 11.c, the Adoption of Regulations to Eliminate the Dental Benefit Cap in the Healthy Families Program. In 2009, in an effort to reduce program costs in tight fiscal times, some program modifications were instituted, including a dental benefit cap and an increase in premiums and copayments. However, enactment of CHIPRA acknowledged dental services as very critical and necessary. Dental services are now a required benefit. MRMIB cannot use a dental cap without an infrastructure in place to authorize and pay claims above and beyond the cap for those children who need medically necessary dental services. Ms. Casillas requested that, since MRMIB does not have this infrastructure, ask the Board to approve the resolution to remove the dental cap, beginning October 1, 2011, at the start of the new benefit year.

There was a motion and a second to adopt the resolution included in Agenda item 11.c, eliminating the cap on HFP dental benefits. Chairman Allenby asked whether there was any discussion on the motion. There was none. The motion was unanimously passed.

The HFP Resolution to Eliminate the Dental Benefit Cap can be found at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_11.c_ER-2-11_Proposed_Regulation_.pdf

2010 Open Enrollment Report

Correction to Community Provider Designation in Nevada County

Chairman Allenby introduced Agenda Item 11.e, Correction to the Community Provider Designation in Nevada County. Staff requested that the Board designate Anthem/Blue Cross EPO as the Community Provider Plan in Nevada County, in accordance with the revised 2011-2012 Community Provider Plan Designation document. There was a motion and a second to designate Anthem Blue Cross as the Community Provider Plan in Nevada County, in accordance with the revised 2011-2012 Community Provider Plan Designation document included as agenda item 11.e. Chairman Allenby asked if there was any discussion on the motion. There was none. The motion passed unanimously.

The HFP Correction to Community Provider Designation in Nevada County can be found at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_11.e_HFP_CPP.pdf

CHIP Reauthorization Implementation

Ms. Casillas said there was nothing to report under Agenda Item 11.f, CHIP Reauthorization Implementation.

ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE

Enrollment Report

Ms. Soto-Taylor reported on Agenda Item 12.a, the AIM Enrollment Report. There are currently 7,195 women enrolled in the program, a continued enrollment trend upward since January 2011. There were no notable changes in demographics or enrollment distribution for the program.

The AIM Enrollment Report is located at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_12.a_AIM_May_2011_summary.pdf

Administrative Vendor Performance Report

Ms. Soto-Taylor reported on Agenda Item 12.b, the AIM Administrative Vendor Report. For May 2011, the administrative vendor met all performance standards in the areas of eligibility determination and call center measurements. And for April 2011, the administrative vendor met all quality and accuracy standards.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The AIM Administrative Vendor Performance Report can be found at:

http://mrmib.ca.gov/MRMIB/Agenda_Minutes_061511/Agenda_Item_12.b_AIM_Adm_Vendor_Perf_May_2011_Summary.pdf

Chairman Allenby asked if there was any further business to bring before the Board.

Ms. Casillas said there was not.

The meeting was adjourned at 11:51 a.m.